APPENDIX 3

Indicator #2. MODERNIZATION

PHA/RMC/AME:                                      FYE:        Date:

Has the management function for all or part of indicator #2
been assumed by an RMC/AME?

|_| Yes, Component(s) ____________________________    |_| No

Component #1, Unexpended Funds Over Three FFYs Old. Use the FY that ended during the PHA's FY.

The reviewer should first examine the information in the LOCCS freeze file which should show all the grants over three FFYs old with unexpended funds. In addition to LOCCS screen Q29, Grant Obligated/Expended Query, the reviewer may find it useful to review screen Q08, Project Disposition History, especially if the reviewer suspects a problem or is reviewing a troubled or mod-troubled PHA.

Complete for EACH CGP, CIAP and LBRAP Award

<table>
<thead>
<tr>
<th>Orig</th>
<th>Last</th>
<th>Appd</th>
<th>Appd</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date</td>
<td>Exp</td>
<td>Exp</td>
<td>Exp</td>
<td>Appvl</td>
</tr>
<tr>
<td>Type</td>
<td>Award</td>
<td>Date</td>
<td>Date</td>
<td>Date</td>
</tr>
</tbody>
</table>

1st  10/01/ FY  09/30/

2nd  10/01/ FY  09/30/

3rd  10/01/ FY  09/30/

Total:

Source: LOCCS screen Q29; Q08; and/or PHA documentation.

1 4/97

Component #1, Continued:

Verification Questions    Yes  *No  N/A

1. Is the grant award more than three FFY's old?
2. Is the balance of unexpended funds zero?
3. Will leftover unexpended funds be recaptured
in an audit?

Source: Form HUD-52825 (CIAP or LBP); form HUD-52837 (CGP); form HUD-53001 (CIAP, CGP or LBP).

4. Does HUD-approved original Implementation Schedule allow for longer than three FFYs to expend funds?

Source: Form HUD-52525, Part III (CIAP or LBP); form HUD-52837, Part III, (CGP).

5. Enter original Implementation Schedule expenditure deadline date:

6. Has the PHA extended the expenditure deadline within 30 calendar days after expenditure deadline?

7. Revised expenditure deadline:

   Date PHA revised:

   Source of revision:

8. Are reasons for extension based on factors outside the PHA's control?

Source: Form HUD-52525, Revised Part III (CIAP or LBP); form HUD-52837, Revised Part III (CGP); and/or PHA documentation.

* All "No" answers should be explained below or attached:

4/97 2

7460.5 G

APPENDIX 3

Component #2, Unobligated Funds Over Two FFYs Old.
Use the FFY that ended during the PHA's fiscal year.

Complete for EACH CGP, CIAP and LBRAP Award

<table>
<thead>
<tr>
<th>Prog #</th>
<th>Orig Last</th>
<th>Appd Appd Actual</th>
<th>ACC Date</th>
<th>Date Oblig</th>
<th>Oblig</th>
<th>Oblig</th>
<th>Oblig</th>
<th>Approval</th>
<th>Approval</th>
<th>Date Date Date Source</th>
<th>Balnce</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1st</td>
<td>10/01/</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY</td>
<td>09/30/</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2nd</td>
<td>10/01/</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY</td>
<td>09/30/</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Component #2, Continued:

Verification Questions

6. Revised obligation deadline:

Date PHA revised:
Source of revision:

7. Are reasons for extension based on factors outside the PHA's control?

Source: Form HUD-52525, Revised Part III (CIAP or LBP); form HUD-52837, Revised Part III (CGP); and/or PHA documentation.

* All "No" answers should be explained below or attached.

Component #3 - Adequacy of Contract Administration.
Evaluates a PHA's ability to manage contract administration for capital improvement funded programs.

Complete for EACH CGP, CIAP, LBPRA, HOPE VI, VRP Award:

* If Less Than 75 Days,
Date of FO Before Previous Program Date of PHA's
APPENDIX 3

Component #3, Continued:

Findings: (If no findings, go to next component.)

1. 
2. 
3. 
4. 
5. 
6. 
7. 
8. 

5 4/97

APPENDIX 3

Component #3, Continued:

Verification Questions -
Based on PHA's Response Letter Yes *No N/A

1. Has the PHA corrected all findings?

2. Is the PHA in the process of correcting all findings?

3. Has the PHA initiated corrective action for all findings?

4. Did the corrective actions initiated result in progress toward correcting the findings?

Source: HUD/COE inspection report; PHA response.

Verification Questions -
Confirmatory Review Yes *No N/A

5. Has the PHA corrected all findings?

6. Date State/Area Office cleared findings:
7. Is the PHA in the process of correcting all findings?

8. Has the PHA initiated corrective action for all findings?

9. Did the corrective actions initiated resulted in progress toward correcting findings?

* All "No" answers should be explained below or attached.

4/97

6

7460.5 G

APPENDIX 3

Component #4 - Quality of the Physical Work. Evaluates the quality of physical work for Capital improvement funded programs.

Complete for EACH CGP, CIAP, LBPR, HOPE VI, VRP Award:

* If Less Than 75 Days,

<table>
<thead>
<tr>
<th>Date of FO Report</th>
<th>Days Before FYE* Report</th>
<th>Date of Previous Program Type</th>
<th>Number of Findings</th>
<th>Date of PHA's Response</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Findings: (If no findings, go to next component.)

1.

2.

3.

4.

5.

6.

7.

8.

7460.5 G

APPENDIX 3

Component #4, continued:

Verification Questions -  Based on PHA's Response Letter Yes *No N/A
1. Has the PHA corrected all findings?
2. Is the PHA in the process of correcting all findings?
3. Has the PHA initiated corrective action for all findings?
4. Did the corrective actions initiated result in progress toward correcting the findings?

Source: HUD/COE inspection report; PHA response.

Verification Questions -
Confirmatory Review  Yes *No N/A

5. Has the PHA corrected all findings?
6. Date State/Area Office cleared findings:
7. Is the PHA in the process of correcting all findings?
8. Has the PHA initiated corrective action for all findings?
9. Did the corrective actions initiated resulted in progress toward correcting findings?

* All "No" answers should be explained below or attached.

4/97 8 7460.5 G

APPENDIX 3

Component #5 - Budget Controls. Examines PHA's fund expenditures for all capital improvement funded programs to determine that expended funds were on work identified in HUD-approved five year plan or budget, or had prior HUD approval for required budget revisions.

Verification Questions

1. List work items for which a PHA expended funds in the latest FY for each active CGP, CIAP, LBPRA, HOPE VI and VRP which were not in HUD-approved five year plan or budget.

Grant #: Emergency Date of HUD
Work Item Date Funds Approval or
Work Item (Yes/No) Expended Revision

2. Are there any work items identified with funds expended prior to HUD approval?  |_| Y |_| N
APPENDIX 3

Summary

Component #1, Unexpended Funds Over Three FFYs Old:
Initial Grade: _____ Confirmed Grade: _____

Component #2, Unobligated Funds:
Initial Grade: _____ Confirmed Grade: _____

Component #3, Contract Administration:
Initial Grade: _____ Confirmed Grade: _____

Component #4, Quality of the Physical Work:
Initial Grade: _____ Confirmed Grade: _____

Component #5, Budget Controls:
Initial Grade: _____ Confirmed Grade: _____

Overall Indicator
Initial Grade: _____ Confirmed Grade: _____

Reviewer:

4/97